

DAVID Y. IGE GOVERNOR

April 20, 2015

The Honorable Donna Mercado Kim President of the Senate Twenty-Eighth State Legislature State Capitol Honolulu, Hawaii 96813

Dear Senate President Kim:

The Hawaii Government Employees Association (HGEA) and the public employers have reached a tentative agreement concerning Collective Bargaining Unit 9 (Registered Nurses). The State received notification of ratification on April 17, 2015. In accordance with Section 89-10(b), cost items must be submitted to the Legislature for appropriation within ten days of ratification. The following summaries of the included and excluded requirements of the settlement for the current fiscal biennium are being transmitted to the Legislature for authorization:

	<u>FY 16</u>	<u>FY 17</u>	<u>Biennium</u>
Salaries & Fringe			
General	\$ 3,368,039	\$ 7,074,427	\$10,442,466
Special	6,848,237	14,310,958	21,159,195
Federal	48,944	107,099	156,043
Other Federal	72,180	145,284	217,464
Interdept. Transfer	5,339	11,134	16,473
Revolving	<u>29,813</u>	62,779	92,592
		•	
Total	\$10,372,552	\$21,711,681	\$32,084,233

Of the above amounts, the following are for the Hawaii Health Systems Corporation (HHSC):

	FY 16	FY 17	<u>Biennium</u>
Special	\$6,831,322	\$14,275,177	\$21,106,499

Honorable Donna Mercado Kim April 20, 2015 Page 2

It should be noted that HHSC has indicated that it cannot absorb these additional salary costs and will be requesting an increase in its general fund subsidy from the Legislature for this purpose.

An agreement with HGEA regarding Employer-Union Trust Fund contribution amounts has also been reached and the estimated costs are as follows:

	<u>FY 16</u>	<u>FY 17</u>	<u>Biennium</u>
General	\$589,054	\$1,083,173	\$1,672,227

Attached is a proposed draft bill which amends Senate Bill No. 1084, in its entirety, to fund the settlement.

Sincerely,

DAVID Y. IGE

Governor, State of Hawaii

Attachment

c: Honorable Jill N. Tokuda



DAVID Y. IGE GOVERNOR

April 20, 2015

GOV. MSG. NO. 231

The Honorable Joseph M. Souki Speaker of the House of Representatives Twenty-Eighth State Legislature State Capitol Honolulu, Hawaii 96813

Dear Speaker Souki:

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Sincerely,

Governor, State of Hawaii

Attachment

c: Honorable Sylvia Luke

department of education:

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S.B. NO. 5.D. 1 H.D. 1 Proposed C.D. 1

A BILL FOR AN ACT

MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1		PART I	
2	SECTION 1. There are ap	propriated or author	rized from the
3	sources of funding indicated	below to collective	bargaining
4	statewide (BUF 102) the follo	owing sums, or so muc	ch thereof as
5	may be necessary, to fund for	fiscal biennium 203	15-2017 all
6	collective bargaining cost it	ems for salary incre	eases and other
7	wage related costs in the agreement negotiated with the		
8	exclusive bargaining representative of collective bargaining		
9	unit (9):		
10		FY 2015-2016	FY 2016-2017
11	General Funds	\$3,306,750	\$6,941,459
12	Special Funds	16,915	35,781
13	Federal Funds	48,944	107,099
14	Other Federal Funds	72,180	145,284
15	Interdepartmental Transfers	5,339	11,134
16	Revolving Funds	29,813	62,779
17	Of the above amounts, th	e following amounts	are for the

S.B. NO. 5.D. 1 H.D. 1 Proposed C.D. 1

1		FY 2015-2016	FY 2016-2017		
2	General Funds	\$7,866	\$19,500		
3	SECTION 2. Funds appro	opriated or authorize	ed by this part		
4	shall be allotted by the dir	rector of finance to	the appropriate		
5	state departments for expend	diture in the respect	ive fiscal year		
6	for the purposes of this part.				
7		PART II			
8	SECTION 3. There are a	appropriated or autho	orized from the		
9	sources of funding indicated	d below to administra	ation (JUD 601)		
10	the following sums, or so mu	uch thereof as may be	e necessary, to		
11	fund for fiscal biennium 2015-2017 all collective bargaining				
12	cost items for salary increases and other wage related costs in				
13	the agreement negotiated with the exclusive bargaining				
14	representative for collective bargaining unit (9):				
15		FY 2015-2016	FY 2016-2017		
16	General Funds	\$14,097	\$31,636		
17	SECTION 4. Funds appro	opriated or authorize	ed by this part		
18	shall be allotted by the chi	lef justice for expen	diture in the		
19	respective fiscal year for t	the purposes of this	part.		
20		PART III			
21	SECTION 5. There are a	appropriated or autho	rized from the		
22	sources of funding indicated	d below to collective	bargaining		
23	statewide (BUF 102) the foll	owing sums, or so mu	ch thereof as		
24	may be necessary, to fund fo	or fiscal biennium 20	15-2017, the		

S.B. NO. 5.D. 1 H.D. 1 Proposed C.D. 1

1	salary increases and other cost adjustments authorized by
2	chapter 89C, Hawaii Revised Statutes, for state officers and
3	employees excluded from collective bargaining who belong to the
4	same compensation plans as those officers and employees within
5	collective bargaining unit (9):
6	FY 2015-2016 FY 2016-2017
7	General Funds \$43,209 \$91,188
8	SECTION 6. Funds appropriated or authorized by this part
9	shall be allotted by the director of finance to the appropriate
10	state departments for expenditure in the respective fiscal year
11	for the purposes of this part.
12	PART IV
13	SECTION 7. There are appropriated or authorized from the
14	sources of funding indicated below to administration (JUD 601)
15	the following sums, or so much thereof as may be necessary, to
16	fund for fiscal biennium 2015-2017, the salary increases and
17	other cost adjustments authorized by chapter 89C, Hawaii Revised
18	Statutes, by the chief justice for state officers and employees
19	excluded from collective bargaining who belong to the same
20	compensation plans as those officers and employees within
21	collective bargaining unit (9):
22	FY 2015-2016 FY 2016-2017
23	General Funds \$3,983 \$10,144

S.B. NO. S.D. 1 H.D. 1 Proposed C.D. 1

1 SECTION 8. The sums appropriated or authorized by this part shall be allotted by the chief justice for expenditure in 2 the respective fiscal year for the purposes of this part. 3 4 PART V SECTION 9. There are appropriated or authorized from the 5 6 sources of funding indicated below to Hawaii health systems 7 corporation - corporate office (HTH 210) the following sums, or 8 so much thereof as may be necessary, to fund for fiscal 9 biennium 2015-2017, the collective bargaining cost items in the agreement negotiated for state employees in collective 10 bargaining unit (9) assigned to the Hawaii health systems 11 corporation: 12 FY 2016-2017 13 FY 2015-2016 Special Funds 14 \$6,707,491 \$14,013,583 PART VI 15 16 SECTION 10. Funds appropriated or authorized by this part shall be allotted by the director of finance to the Hawaii 17 health systems corporation for expenditure in the respective 18 fiscal year for the purposes of this part. 19 20 SECTION 11. There are appropriated or authorized from the 21 sources of funding indicated below to Hawaii health systems corporation - corporate office (HTH 210) the following sums, or 22 23 so much thereof as may be necessary, to fund for fiscal biennium 2015-2017, the salary increases and other cost 24

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department of education:

S.B. NO. S.D. 1 H.D. 1 Proposed C.D. 1

1 adjustments authorized by chapter 89C, Hawaii Revised Statutes, 2 for state officers and employees excluded from collective bargaining assigned to the Hawaii health systems corporation who 3 4 belong to the same compensation plans as those officers and employees within collective bargaining unit (9): 5 6 FY 2015-2016 FY 2016-2017 Special Funds 7 \$123,831 \$261,594 8 SECTION 12. Funds appropriated or authorized by this part 9 shall be allotted by the director of finance to the Hawaii health systems corporation for expenditure in the respective 10 fiscal year for the purposes of this part. 11 12 PART VII 13 SECTION 13. There are appropriated or authorized from the 14 sources of funding indicated below to health premium payments 15 (BUF 761) the following sums, or so much thereof as may be 16 necessary, to fund for fiscal biennium 2015-2017, the Hawaii 17 employer union health benefits trust fund costs in the agreement negotiated with the exclusive bargaining representative of 18 19 collective bargaining unit (9): 20 FY 2015-2016 FY 2016-2017 21 General Funds \$586,518 \$1,078,479 Of the above amounts, the following amounts are for the 22

S.B. NO. 5.D. 1 H.D. 1 Proposed C.D. 1

1	<u>1</u>	FY 2015-2016	FY 2016-2017
2	General Funds	\$668	\$613
3	PAI	RT VIII	
4	SECTION 14. There are app	propriated or autho	orized from the
5	sources of funding indicated be	elow to health prem	nium payments
6	(BUF 761) the following sums, o	or so much thereof	as may be
7	necessary, to fund for fiscal k	oiennium 2015-2017,	the Hawaii
8	employer union health benefits	trust fund costs f	for state
9	officers and employees excluded from collective bargaining who		
10	belong to the same compensation plans as those officers and		
11	employees within collective bargaining unit (9):		
12	<u> </u>	FY 2015-2016	FY 2016-2017
13	General Funds	\$2,536	\$4,694
14	SECTION 15. Funds appropr	riated or authorize	ed by this part
15	shall be allotted by the direct	or of finance to t	he appropriate
16	state departments for expenditu	are in the respecti	ve fiscal year
17	for the purposes of this part.		
18	PA	ART IX	
19	SECTION 16. Salary increa	ses and cost adjus	tments provided
20	in this Act for any officer or	employee whose com	pensation is
21	paid, in whole or in part, from	n federal, special,	or other funds
22	shall be paid wholly or proport	cionately, as the c	ase may be,
23	from the respective funds.		

S.B. NO. S.D. 1 H.D. 1 Proposed C.D. 1

- 1 SECTION 17. Funds appropriated or authorized by this Act
- 2 that are not expended or encumbered by June 30, 2016, and
- 3 June 30, 2017, of the respective fiscal years, shall lapse as of
- 4 those dates.
- 5 SECTION 18. This Act shall take effect upon its approval.

S.B. NO. S.D. 1 H.D. 1 Proposed C.D. 1

Report Title:

Appropriations for Collective Bargaining Cost Items

Description:

Provides fund authorizations and appropriations for all collective bargaining cost items for salary increases and other wage related costs in the negotiated settlement for unit (9) and its excluded counterparts for fiscal biennium 2015-2017.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.